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The Honorable James Oberstar  
Chairman  
House Committee on Transportation and Infrastructure  
B-376 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Oberstar:

I am writing in response to your letter of October 1<sup>st</sup>, expressing your concern regarding the pace of Massachusetts' commitment and expenditure of highway funds under the American Recovery and Reinvestment Act of 2009 (ARRA). While I appreciate your committee's efforts to continuously monitor the progress of ARRA implementation, I am concerned that the committee's report reflects an inappropriate "one size fits all" analysis. In addition, your report does not reflect the fact that Massachusetts has consistently been ranked in the top ten among states – and recently as high as 5<sup>th</sup> – for expenditure of all types of ARRA funds including critical health care and education investments.

The Committee's report is based on a formula that solely measures the speed with which contracts are put out to bid, awarded, and gotten underway, without drawing any distinction between types of projects and the ultimate economic benefits expected to be derived therefrom. Under this analysis, speed is everything – a state which chooses to dedicate its ARRA funding to simple maintenance and repaving projects is viewed favorably, while a state, such as Massachusetts, that makes the choice to develop more ambitious projects leveraging lasting, long-term job growth rates lower on the committee's analysis. Our decision to use ARRA transportation funds strategically to support more complicated, long-term economic development investments was influenced in part by the fact that we

have significantly increased our own investments with state capital funds in bread and butter transportation infrastructure, including through our own stimulus plan – a \$3 billion accelerated bridge program and this year's record \$721 million statewide road and bridge program that together has created jobs in every corner of the Commonwealth.

I believe that Massachusetts has done a fine job in delivering a measured approach to implementing stimulus projects. As you know, there are two congressionally mandated deadlines for ARRA spending of highway funds: states were required to obligate a certain amount of funds in the first 120 days after enactment and are required to obligate the remaining funds no later than the end of February 2010.

In Massachusetts, we were required to obligate approximately \$153 million by the end of June 2009. During that timeframe, we delivered 31 projects totaling \$187.4 million. This number of projects and this amount of funding exceeds the total programs delivered by some of the states that rank at the highest levels in your report. Because the committee's analysis ranks states based upon the percentage of highway and bridge funding delivered, no distinction is made between the relative size and scope of a state's program.

In deciding which projects to implement in the first 120 days, Massachusetts was guided by three main criteria – project readiness, job creation, and geographic equity. We very consciously decided that a balanced approach was called for. The project mix we developed will provide short-term construction jobs in many areas of the Commonwealth, while also leveraging long-term economic development. Included in this list are many resurfacing jobs on major arteries of the Commonwealth; the construction of a new interchange in Fall River and Freetown that will both create long-term job growth and aid in the preservation of ecologically important natural resources; the construction of a new intermodal center in Greenfield; the construction of the Manhan Bike Trail in Northampton; and the expansion of the state's busiest park-and-ride lot in Newburyport.

Moving forward, we have made a conscious decision to take the time between now and February to develop some projects that may take additional time to deliver, but which will provide greater long-term economic growth to the Commonwealth. The Executive Office of Housing and Economic Development and Executive Office of Transportation have been working cooperatively to identify large scale economic development projects that have been negatively impacted by the national recession, but that could be jump-started

with some strategic infrastructure investments. A prime example of this type of project is our proposed use of \$15 million of ARRA funding to construct roadway infrastructure for the Assembly on the Mystic project in Somerville. This investment will immediately lead to the construction of a major retail center, as well as open additional sites for millions of square feet of mixed use, smart growth transit-oriented development. Because of its complexity, this investment will take time to deliver, but it is time that is clearly worth the effort. This investment, as well as other similar investments we plan to announce soon, will yield long-term economic growth and their job creation will greatly exceed that which could be accomplished by undertaking simple maintenance and repaving projects.

I fully believe that when the final analysis is done on job creation and economic growth generated by ARRA highway investments, Massachusetts will have a record that we can be proud of and that your committee will wholly endorse. I am confident that this approach is producing jobs for today and jobs for tomorrow.

Thank you for all of your efforts in delivering transportation funding to help the states and the nation realize our shared goal of smart, ecologically friendly, economic development.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott B. Smith". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.